

# Tools to Revitalize California Communities

Morgan Stanley Residential Investment Program

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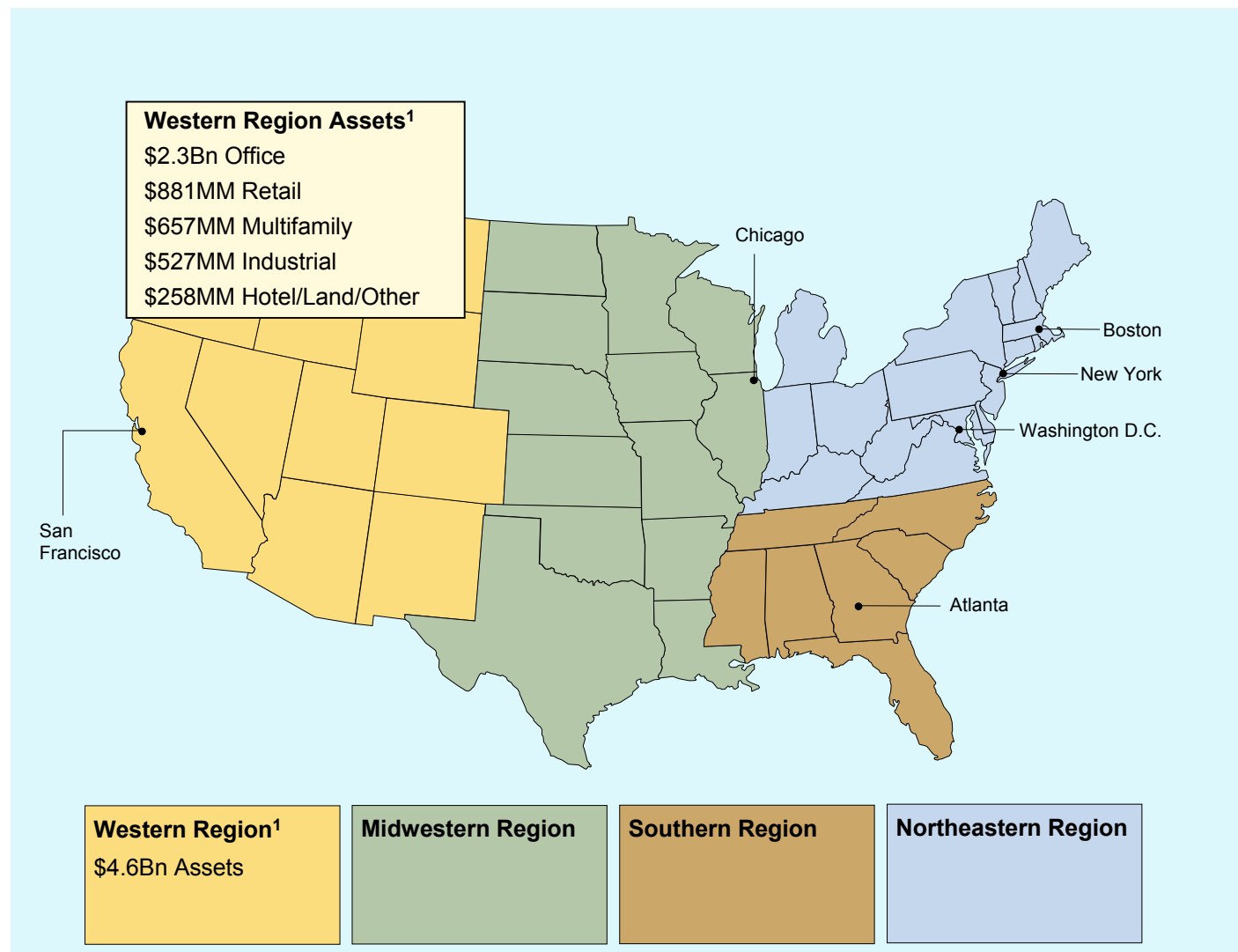
# Overview

## Morgan Stanley Real Estate

- Morgan Stanley is one of the nation's largest real estate investment managers
- \$30Bn of assets under management, \$26Bn in equity and \$4Bn in REITs
- \$18.7Bn in the United States, \$8.3Bn in Europe and \$2.5Bn in Asia
- \$8.8Bn of core assets, \$15.9Bn of value enhanced assets and \$4.8Bn in securities
- \$4.6Bn of assets in the Western Region, including over \$500 mm in residential

## Broad Geographic Coverage in the U.S.

- Morgan Stanley distributes its resources and capabilities nationally
  - Acquisitions team by geography
  - Portfolio managers, asset managers, portfolio operations by client
- 250 professionals focused on the U.S. investing business
- Provides the ability to be “local” in major U.S. markets, enhancing knowledge and deal flow



Note:  
1. Includes private equity assets only

## Residential Investment Program

- **Morgan Stanley capital spans all product types and risk profiles**

Developer Profile	Developer must have experience in the market area and product type under consideration. Developer or guarantor financial statements, net worth and liquidity commensurate with deal size.
Project Criteria	100-400 unit multifamily opportunities with a substantial (target 20%) affordable component. Project must have all discretionary governmental approvals prior to funding.
Transaction Size	\$10-60 million
Maximum Equity Share	95%
Investment Horizon	3 years for Development & 5 years for Value Added Acquisitions
Preferred Return	9%-13%
Sponsor Promote	30% to 50% (after certain IRR hurdles)
Geography	California Infill Markets
Total Loan to Cost	Up to 75%
Recourse	Environmental indemnity and on-time and on-budget construction completion guaranties.

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